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(Stock Code: 2328)

INSIDE INFORMATION UNAUDITED FINANCIAL INFORMATION FOR THE FIRST QUARTER OF 2017

This announcement is made by PICC Property and Casualty Company Limited (the “Company”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

On account of the capital supplementary bonds issued by the Company in 2016, according to the relevant regulatory requirements, during the period of existence of the capital supplementary bonds, the Company shall release publicly its quarterly financial reports and solvency margin statements for the first and the third quarters at the websites of www.chinamoney.com.cn and www.chinabond.com.cn. Meanwhile, according to the relevant insurance regulations, the Company shall release the abstracts of its quarterly reports on the solvency margin on the websites of the Insurance Association of China at www.iachina.cn and the Company at www.epicc.com.cn.

The contents required to be disclosed according to the above regulatory requirements include the unaudited financial statements of the Company for the first quarter of 2017 prepared in accordance with the PRC Accounting Standards for Business Enterprises and the unaudited solvency margin ratio indicators of the Company for the first quarter of 2017 prepared in accordance with the relevant insurance regulations.

I. Financial Statements

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

As at 31 March 2017

| | RMB Thousand (Unaudited) |
|--|-------------------------------------|
| Cash and bank balances | 13,266,746 |
| Held for trading financial assets | 6,488,123 |
| Derivative financial assets | 279 |
| Financial assets purchased under resale agreements | 8,290,803 |
| Interest receivables | 5,326,106 |
| Premiums receivable | 27,145,491 |
| Receivables from reinsurers | 24,081,229 |
| Reinsurers' share of unearned premium reserves | 10,178,847 |
| Reinsurers' share of loss and loss adjustment expense reserves | 19,242,131 |
| Term deposits | 72,116,723 |

| | |
|--|--------------------|
| Available-for-sale financial assets | 127,910,982 |
| Held-to-maturity investments | 41,745,253 |
| Investments classified as loans and receivables | 63,319,536 |
| Long term equity investments | 37,521,698 |
| Capital security fund | 2,965,703 |
| Investment properties | 5,061,980 |
| Fixed assets | 14,326,083 |
| Intangible assets | 4,457,291 |
| Deferred tax assets | 10,033,880 |
| Other assets | 7,025,488 |
| TOTAL ASSETS | 500,504,372 |
| Financial assets sold under agreements to repurchase | 18,907,800 |
| Premiums received in advance | 12,946,623 |
| Commission payable | 6,811,787 |
| Payables to reinsurers | 21,022,941 |
| Salaries and staff welfare payables | 10,109,191 |
| Tax payable | 10,196,243 |
| Claims payable | 1,535,460 |
| Policyholders' dividend payable | 62,768 |
| Policyholders' deposits | 2,390,344 |
| Unearned premium reserves | 127,961,236 |
| Loss and loss adjustment expense reserves | 125,962,387 |
| Premiums reserve | 2,664,736 |
| Bonds payable | 23,149,637 |
| Deferred tax liabilities | 4,162,591 |
| Other liabilities | 9,687,317 |
| TOTAL LIABILITIES | 377,571,061 |
| Issued capital | 14,828,510 |
| Share premium account | 18,985,549 |
| Other comprehensive income reserve | 10,076,142 |
| Surplus reserve | 32,614,416 |
| General risk reserve | 9,337,630 |
| Agriculture catastrophic loss reserve | 1,885,477 |
| Retained profits | 35,205,587 |
| Equity attributable to owners of the parent | 122,933,311 |
| Non-controlling interests | - |
| TOTAL EQUITY | 122,933,311 |
| TOTAL LIABILITIES AND EQUITY | 500,504,372 |

INCOME STATEMENT OF THE COMPANY

For the three months ended 31 March 2017

| | RMB Thousand (Unaudited) |
|--|-----------------------------|
| Operating income | 71,472,060 |
| Net earned premiums | 68,047,426 |
| Gross written premiums | 88,630,658 |
| Included: Reinsurance premiums assumed | 108,595 |
| Less: Reinsurance premiums ceded | 6,679,341 |
| Change in unearned premium reserves | 13,903,891 |
| Investment income | 3,103,147 |
| Net gains on fair value changes | 40,614 |
| Exchange losses, net | -64,970 |
| Other operating income | 345,843 |
| Operating expenses | 65,493,983 |
| Gross claims paid | 44,878,647 |
| Less: Paid losses recoverable from reinsurers | 4,185,181 |
| Change in loss and loss adjustment expense reserves | -780,072 |
| Less: Reinsurers' share of loss and loss adjustment expense reserves | -1,062,457 |
| Change in premium reserve | 171,648 |
| Interest expenses credited to policyholders' deposits | 362 |
| Reinsurance expenses | 35,799 |
| Tax and other surcharges | 503,291 |
| Commission expenses | 12,736,526 |
| General and administrative expenses | 12,908,008 |
| Less: Reinsurers' share of general and administrative expenses | 1,957,239 |
| Other operating costs | 67,290 |
| Asset impairment losses | 52,447 |
| Operating profit | 5,978,077 |
| Add: Sundry income | 43,604 |
| Less: Sundry expenses | 29,111 |
| Profit before income tax | 5,992,570 |
| Less: Income tax expense | 1,371,328 |
| Net profit | 4,621,242 |

STATEMENT OF CASH FLOWS OF THE COMPANY

For the three months ended 31 March 2017

| | RMB Thousand (Unaudited) |
|--|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Premiums received | 77,527,142 |
| Others | 10,116,512 |
| Cash inflows from operating activities | 87,643,654 |
| Claims paid | -45,172,323 |
| Payment to and on behalf of staff | -6,676,884 |
| Commission paid | -12,585,555 |
| Taxes and surcharges paid | -8,399,942 |
| Payment in relation to reinsurance business, net | -513,986 |
| Decrease in policyholders' deposits, net | -14,743 |
| Others | -17,371,593 |
| Cash outflows from operating activities | -90,735,026 |
| Net cash flows used in operating activities | -3,091,372 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from investments | 23,949,591 |
| Investment income received | 2,866,731 |
| Proceeds from disposal of fixed assets, intangible assets and other long term assets | 16,189 |
| Cash inflows from investing activities | 26,832,511 |
| Payment for purchases of investments | -22,042,474 |
| Payment for purchases of fixed assets, intangible assets and other long term assets | -373,573 |
| Others | -3,980,544 |
| Cash outflows from investing activities | -26,396,591 |
| Net cash flows from investing activities | 435,920 |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Decrease in financial assets sold under agreements to repurchase, net | -2,449,607 |
| Others | -28,345 |
| Cash outflows from financing activities | -2,477,952 |
| Net cash flows used in financing activities | -2,477,952 |
| Net foreign exchange differences | -22,404 |
| Net (decrease)/increase in cash and cash equivalents | -5,155,808 |

II. Solvency Margin Ratio Indicators

Solvency Margin Ratio Indicators

As at 31 March 2017

| | RMB million |
|--|-------------|
| Core capital | 118,647 |
| Actual capital | 145,614 |
| Minimum capital required | 51,017 |
| Core solvency margin ratio ¹ (%) | 232.57% |
| Comprehensive solvency margin ratio ² (%) | 285.42% |

¹ Core solvency margin ratio = core capital/minimum capital required.

² Comprehensive solvency margin ratio = actual capital/minimum capital required.

All of the financial information set out above has not been audited or reviewed by the auditors of the Company. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Zhang Xiaoli
Secretary of the Board

Beijing, the PRC, 28 April 2017

As at the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Lin Zhiyong (executive director), the non-executive directors are Ms. Yu Xiaoping and Mr. Li Tao and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi, Mr. Ma Yusheng and Mr. Chu Bende.